

Randy Demmer
State Representative

District 29A
Dodge and Olmsted Counties



Minnesota House of Representatives

August 22, 2008

Gary Van Meter
Deputy Director
Office of Regulatory Policy
Farm Credit Administration
1501 Farm Credit Drive
McLean, VA 22102-5090

Dear Mr. Van Meter,

I am a state legislator from southeastern Minnesota, serving a district which includes a number of small rural communities. It is my understanding that the Farm Credit Administration (FCA) is currently accepting comments on a proposed regulation for the Farm Credit System's (FCS) Mission Related Investment Authority. While I do not have a position regarding this regulatory authority for FCS, I believe there is value in this authority if it is conducted in collaboration with local community banks and partner organizations. Prior to my being elected as a member of the Minnesota House of Representatives, I served on an Economic Development Authority (EDA) in my home community. It is in that capacity that I could see the need for a wide range of financing tools and options, providing greater capital capacity and long-term fixed rate financing availability to enhance local economic development.

The Farm Credit Association in our area has been fostering this collaborative model with partners. I believe it makes sense to use this type of approach under this authority. It is important for us to enhance access to capital resources for our rural communities, offering greater liquidity and reasonable cost of funds. This resource could help establish new commercial market opportunities to grow a bank's client base while furthering local economic development.

The offering of these tools by FCS in collaboration with rural partners, as could be offered through the proposed regulation, would potentially create enhanced access to USDA programs and industry expertise. This would be a benefit to all involved – the client, the rural bank, and the Farm Credit Association. Most importantly, this could provide increased economic development opportunities throughout rural America. I strongly support the access to additional capital for rural communities through the FCS.

Thank you for considering my input. I appreciate the opportunity to provide it.

Sincerely,

A handwritten signature in blue ink, appearing to read "Randy Demmer", is written over a horizontal line.

Randy Demmer
State Representative, District 29A

